



CHAIRMAN
Representative Todd Tiahrt

EC²

“It's important for our national security interests, and it's important for our economic interests. Most Americans don't understand that most goods and services from Colombia come into the United States duty free; most of our goods and services are taxed at about a 35-percent rate heading into Colombia. Doesn't it make sense to have our goods and services treated like those from Colombia? I think it does.”

-President Bush, speech before the Economic Club of New York, March 14, 2008

We Should Have Trade Fairness with All Nations.
It is Time to End Unfair Foreign Trade Advantage
for National Security Contracts

Dear Colleague:

March 14, 2008

In his speech today regarding uncertainty in the American economy, President Bush hit the nail on the head when discussing why we need a free trade agreement with Columbia for economic and national security reasons. Our farmers and American industries should have a level playing field with Columbian goods – and all goods worldwide. This is even more critical for our defense industrial base.

Yet, instead of creating a level playing field for American companies bidding on national security contracts, our acquisition system favors foreign competitors. The awarding of a \$35 billion Air Force contract to a foreign supplier - costing at least 19,000 jobs and outsourcing America's national security – has brought this problem to the attention of all Americans. In addition to concerns with the decision process, the Tanker decision highlights the unequal accounting costs for American versus foreign competitors:

Illegal Subsidies: The United States Trade Representative has deemed illegal the subsidies European governments provide to EADS/Airbus. These subsidies unfairly make Airbus' aircraft cheaper in civilian markets, and the same is true in government contracts. \$5 billion in illegal subsidies were provided for development of the KC-30 platform. However, DoD did not take into account these illegal subsidies that create an uneven playing field.

Loss of Tax-Revenue: The Government does not account for the loss of tax revenue with fewer American jobs. Under the Airbus Tanker, America will see a minimum 19,000 fewer jobs. If you factor this out through the life of the program, this would total around \$3.8 billion lost to the federal treasury. We should account for this in our procurement system.

Costly One-sided Regulations: The Government forces American companies to comply with costly regulations while waiving these regulations for foreign competitors – increasing the costs to American suppliers.

Industrial Base Considerations: The Government is not required to account for industrial base concerns when making acquisition decisions. This places our national security at risk.

National Security Considerations: The Pentagon is not required to consider national security concerns when outsourcing the production of essential military technology.

Americans want to know:

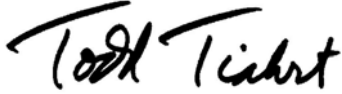
Why are we sending American jobs to France?
Why are we outsourcing our national security?

*Does the Pentagon care that we are in a precarious economic situation?
Why are American defense companies held to a different standard?
How could we allow this to happen?*

It is time for Congress to stand up and do something about this. I encourage you to join me in protest of the French Tanker contract. I also encourage you to place a survey on your website to give your constituents a chance to express their opinion on this hot topic. If we can't protect American defense jobs, how can they trust that other jobs will be protected?

We should have an American tanker built by an American company with American workers.

Sincerely,

A handwritten signature in black ink that reads "Todd Tiahrt". The signature is written in a cursive, slightly slanted style.

Todd Tiahrt
Member of Congress

